

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

PURCHASED WATER ADJUSTMENT)	CASE NO. 9210
OF MILBURN WATER DISTRICT)	

O R D E R

On November 5, 1984, Milburn Water District ("Milburn") filed its application with the Public Service Commission ("Commission") requesting approval of its purchased water adjustment clause and authority to adjust its rates pursuant to that clause.

The Commission, having reviewed the evidence of record and being advised, is of the opinion and finds that:

1. The purchased water adjustment clause proposed by Milburn is in compliance with 807 KAR 5:067, Purchased Water Adjustment Clause, and should be approved.

2. Milburn's supplier, Fancy Farm Water District ("Fancy Farm"), increased the wholesale cost of water from \$40 for the first 100,000 gallons and \$.35 per 1,000 gallons for all usage over 100,000 gallons to \$320 for the first 400,000 gallons and \$.80 per 1,000 gallons for all usage over 400,000 gallons, effective December 15, 1983.

3. The statements of water purchased and sold filed by Milburn for the 12-month period ending November 30, 1983, show that its line loss is approximately 7 percent, which is less than the maximum of 15 percent allowed by the Commission.

4. The calculations made by Milburn are correct and show that the total allowable increase in purchased water costs is \$3,666, resulting in a purchased water adjustment of \$.47 per 1,000 gallons.

5. The financial exhibits filed by Milburn indicate that it cannot absorb an increase of this magnitude in the wholesale cost of water.

6. The purchased water adjustment in the amount of \$.47 per 1,000 gallons and the rates in Appendix A are fair, just and reasonable and should be approved.

IT IS THEREFORE ORDERED that the purchased water adjustment clause filed by Milburn be and it hereby is approved for service rendered on and after the date of this Order.

IT IS FURTHER ORDERED that the purchased water adjustment in the amount of \$.47 per 1,000 gallons and the rates in Appendix A be and they hereby are approved for service rendered on and after the date of this Order.

IT IS FURTHER ORDERED that for the purpose of future application of the purchased water adjustment clause of Milburn, the base rates for purchased water shall be:

<u>Supplier</u>	<u>Rates</u>
Fancy Farm Water District	First 400,000 gal. \$320.00 Minimum
	Over 400,000 gal. \$.80 per 1,000 gal.

IT IS FURTHER ORDERED that within 30 days of the date of this Order, Milburn shall file with the Commission its revised tariff sheets setting out the purchased water adjustment clause and the rates approved herein.

Done at Frankfort, Kentucky, this 15th day of January, 1985.

PUBLIC SERVICE COMMISSION

Richard D. Knauff
Chairman

R. H. Spill
Vice Chairman

Sam M. Hull
Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 9210 DATED 1/15/85

The following rates are prescribed for customers of Milburn Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

<u>Usage Block</u>	<u>Monthly Rate</u>
First 2,000 gallons	\$ 6.59 Minimum
Next 3,000 gallons	2.97 per 1,000 gallons
Next 5,000 gallons	2.37 per 1,000 gallons
Next 10,000 gallons	1.72 per 1,000 gallons
Over 20,000 gallons	1.42 per 1,000 gallons